DIRECT TESTIMONY OF

ALLEN W. ROOKS

ON BEHALF OF

SOUTH CAROLINA ELECTRIC & GAS COMPANY

DOCKET NO. 2008-302-E

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT POSITION.

A. My name is Allen W. Rooks. My business address is 1426 Main Street, Columbia, South Carolina. I am Supervisor of Electric Pricing and Rate Administration at SCANA Services, Inc.

Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A. I graduated from the University of South Carolina with a Bachelor of Science Degree in Business Administration with a major in Management Science (May, 1995). In May 2002, I also completed a Master of Business Administration Degree at U.S.C. Since joining SCANA Corporation on a full-time basis in July, 1996, I have held analytical positions within the Rates & Regulatory and Financial Planning Departments. I have participated in cost of service studies, rate development and design, financial planning and budgeting, rate surveys, responses to regulatory information requests, and rate evaluation

programs primarily for the Company's electric operations. I assumed my present position in July of 2007.

Q. WILL YOU BRIEFLY SUMMARIZE YOUR DUTIES WITH SOUTH CAROLINA ELECTRIC & GAS COMPANY ("SCE&G" OR "COMPANY")?

A. I am responsible for designing and administering the Company's electric rates and tariffs to comply with regulatory orders and relevant state statutes. Calculation of the Electric Adjustment for Fuel and Variable Environmental Cost is an essential part of my responsibilities.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to provide actual fuel cost data through August 31, 2008, as well as computations for the projected fuel cost per kilowatt-hour (KWH) of sales for the period of September 2008 through April 2009. I will also present the Company's recommended changes to the "Base Fuel Component" of the overall fuel cost factor (also referred to as the "Total Fuel Rate" or "Total Fuel Cost Factor") for the six-month period from November 2008 through April 2009, and the impact of these changes on SCE&G's Base Fuel Component over / under recovery balance.

Q. WHAT ARE THE COMPANY'S CURRENTLY APPROVED FUEL COST FACTORS?

A. In Order No. 2008-323, the Commission approved a Base Fuel Component (F_C) of 2.641 cents per KWH for all retail customer classes. Additionally, the Commission approved Environmental Fuel Components (F_{EC}) of 0.101 cents per KWH for the Residential rate class, 0.087 cents per KWH for the Small General Service rate class, 0.075 cents per KWH for the Medium General Service rate class, and 0.044 cents per KWH for the Large General Service rate class. SCE&G's current Total Fuel Cost Factors are 2.742 cents per KWH for Residential, 2.728 cents per KWH for Small General Service, 2.716 cents per KWH for Medium General Service, 2.685 cents per KWH for Large General Service, and 2.641 cents per KWH for the Lighting rate class.

Q. HAVE ANY CHANGES BEEN MADE TO THE COMPANY EXHIBITS AS THEY WERE PRESENTED IN THE ORIGINAL MID-PERIOD APPLICATION?

A. Yes. The months of July and August 2008 have been updated from forecasted data to actual data for the exhibits filed in this testimony.

Q. WHAT IS THE STATUS OF THE FUEL RECOVERY BALANCE AT THIS TIME?

A. As of August 31, 2008, SCE&G's Electric Base Fuel Component balance is under-recovered by the amount of $125,791,213 as shown in Exhibit No. ___ (AWR-1).

Q. IF THE CURRENTLY AUTHORIZED BASE FUEL COMPONENT OF 2.641 CENTS PER KWH WERE TO REMAIN IN PLACE THROUGH NEXT APRIL, WHAT WOULD THE PROJECTED UNDER-COLLECTION BE AT THAT TIME?

A. Based on the Company's projections, the under-collected balance for Base Fuel Costs would rise to approximately $189.7 million by the end of April 2009. See Exhibit No. ___ (AWR-1).

Q. HOW DOES THAT BALANCE COMPARE TO THE AMOUNT PROJECTED IN THE MID-PERIOD APPLICATION?

A. The under-collected balance at April 2009 reflected in my testimony above is $17.5 million less than the under-collected balance of $207.2 million contained in SCE&G's Application. The difference is attributable to the inclusion of the actual operating experience for the months of July and August.

Q. PLEASE SUMMARIZE HOW THE COMPANY HAS UPDATED ITS PROJECTED FUEL COST DATA SINCE THE SPRING OF 2008.

A. As previously mentioned, the Company has updated its actual fuel cost data through August of 2008. Additionally, forecasted coal prices were updated through April 2009 by Mr. Haimberger's department and forward natural gas prices were updated through April 2009 based upon reported NYMEX prices. Also, Dr. Lynch re-dispatched the PROSYM model in June, 2008.

Q. WHAT CHANGES DOES THE COMPANY PROPOSE TO MAKE TO THE BASE FUEL COMPONENT?

A. SCE&G is proposing that the Base Fuel Component of its retail electric rates be increased from 2.641 cents per KWH to 3.291 cents per KWH effective for bills rendered on and after the first billing cycle of November 2008, and from 3.291 cents per KWH to 3.941 cents per KWH effective for bills rendered on and after the first billing cycle of January 2009.

Q. WHAT IMPACT WOULD THE PROPOSED CHANGES HAVE ON THE COMPANY'S PROJECTED UNDER-RECOVERY?

A. Based on the Company's updated projections, the proposed changes would lower the estimated under-collected balance for Base Fuel Costs to approximately $73.7 million by the end of April 2009. See Exhibit No. ___ (AWR-2).

Q. WHAT ARE THE IMPACTS OF THE PROPOSED INCREASES ON A RESIDENTIAL CUSTOMER BILL?

A. For the first requested increase in November, the average monthly bill for a residential customer using 1,000 KWH would rise from $107.67 to $114.20, or approximately 6.06%. The second increase, which is requested to be effective in January 2009, would increase the average monthly bill from $114.20 to $120.73, or approximately 5.72%.

Q. SINCE THE REQUESTED INCREASES DO NOT FULLY ELIMINATE THE BASE FUEL UNDER-COLLECTION, WHAT WOULD THE BASE

FUEL COMPONENT NEED TO BE TO ELIMINATE THE UNDER-COLLECTED BALANCE BY APRIL 2009?

A. To eliminate the under-collected balance by the end of April 2009, the Base Fuel Component would have to be set at approximately 4.425 cents per KWH effective in November of 2008. See computation provided in Exhibit No. ___ (AWR-3).

Q. ARE YOU PROPOSING ANY CHANGES TO THE ENVIRONMENTAL FUEL COMPONENT WITH THIS FILING?

A. No, we are not.

Q. WHAT REQUEST DOES THE COMPANY MAKE OF THE COMMISSION IN THIS FILING?

A. The Company respectfully requests that the Commission approve the Base Fuel Component and Total Fuel Factor changes for retail rates as summarized in Exhibit No. ___ (AWR-4), beginning with bills rendered on and after the first billing cycle of November 2008. The Company is also submitting proposed tariff sheets relating to the two requested changes for Commission approval. Exhibit No. ___ (AWR-5) pertains to the November 2008 change and Exhibit No. ___ (AWR-6) pertains to the January 2009 change.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
BASE FUEL COSTS REPORT
MAY, 2008 - APRIL, 2009

		Actual				Forecast	
		May, 2008	Jun, 2008	Jul, 2008	Aug, 2008	Sep, 2008	Oct, 2008
1. Fossil Fuel Costs		$ 58,024,310	$ 85,688,665	$ 69,955,267	$ 75,770,349	$ 56,352,000	$ 45,218,000
2. Nuclear Fuel Costs		$ -	$ 1,139,263	$ 2,285,622	$ 2,284,832	$ 2,129,000	$ 2,223,000
3. Fuel Costs in Purchased Power and Interchange Received		$ 12,747,550	$ 20,389,713	$ 14,425,774	$ 20,089,049	$ 21,271,000	$ 16,136,000
4. Less: Fuel Costs in Intersystem Sales		$ 1,268,271	$ 8,496,446	$ 9,681,832	$ 7,234,525	$ 4,385,000	$ 2,392,000
5. Total Fuel Costs (Lines 1+2+3-4)		$ 69,503,589	$ 98,721,195	$ 76,984,831	$ 90,909,704	$ 75,367,000	$ 61,185,000
6. Total System Sales Excluding Intersystem Sales (KWH)		1,754,667,357	2,152,209,210	2,372,965,414	2,302,887,717	2,292,000,000	1,922,000,000
7. Total Fuel Cost Per KWH Sales		$ 0.039611	$ 0.045870	$ 0.032442	$ 0.039476	$ 0.032883	$ 0.031834
8. Less Base Fuel Cost Per KWH Included in Rates		$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641
9. Fuel Adjustment Per KWH		$ 0.01320	$ 0.01946	$ 0.00603	$ 0.01307	$ 0.00647	$ 0.00542
10. Retail KWH Sales		1,639,359,582	2,007,727,658	2,226,602,740	2,157,147,821	2,163,000,000	1,808,000,000
11. Over / Under Recovery Revenue		$ 21,639,546	$ 39,070,380	$ 13,426,415	$ 28,193,922	$ 13,994,610	$ 9,799,360
12. Fixed Capacity Charges & Adjustments		$ (1,785,357)	$ (1,785,357)	$ (1,664,893)	$ (1,250,973)	$ (1,785,357)	$ (1,785,357)
13. Net Over / Under Recovery Revenue		$ 19,854,189	$ 37,285,023	$ 11,761,522	$ 26,942,949	$ 12,209,253	$ 8,014,003
14. Cumulative (Over) Under Balance	$ 29,947,530	$ 49,801,719	$ 87,086,742	$ 98,848,264	$ 125,791,213	$ 138,000,466	$ 146,014,469

	Forecast					
	Nov, 2008	Dec, 2008	Jan, 2009	Feb, 2009	Mar, 2009	Apr, 2009
15. Fossil Fuel Costs	$ 38,425,000	$ 46,455,000	$ 51,294,000	$ 45,442,000	$ 50,277,000	$ 42,273,000
16. Nuclear Fuel Costs	$ 2,148,000	$ 2,223,000	$ 2,223,000	$ 2,003,000	$ 2,223,000	$ 2,148,000
17. Fuel Costs in Purchased Power and Interchange Received	$ 12,889,000	$ 13,791,000	$ 20,317,000	$ 20,094,000	$ 19,033,000	$ 20,421,000
18. Less: Fuel Costs in Intersystem Sales	$ 5,456,000	$ 7,574,000	$ 6,655,000	$ 5,631,000	$ 4,239,000	$ 6,285,000
19. Total Fuel Costs (Lines 1+2+3-4)	$ 48,006,000	$ 54,895,000	$ 67,179,000	$ 61,908,000	$ 67,294,000	$ 58,557,000
20. Total System Sales Excluding Intersystem Sales (KWH)	1,735,000,000	1,921,000,000	2,091,000,000	1,971,000,000	1,883,000,000	1,751,000,000
21. Total Fuel Cost Per KWH Sales	$ 0.027669	$ 0.028576	$ 0.032128	$ 0.031409	$ 0.035738	$ 0.033442
22. Less Base Fuel Cost Per KWH Included in Rates	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641
23. Fuel Adjustment Per KWH	$ 0.00126	$ 0.00217	$ 0.00572	$ 0.00500	$ 0.00933	$ 0.00703
24. Retail KWH Sales	1,624,000,000	1,794,000,000	1,957,000,000	1,855,000,000	1,765,000,000	1,642,000,000
25. Over / Under Recovery Revenue	$ 2,046,240	$ 3,892,980	$ 11,194,040	$ 9,275,000	$ 16,467,450	$ 11,543,260
26. Fixed Capacity Charges & Adjustments	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)
27. Net Over / Under Recovery Revenue	$ 260,883	$ 2,107,623	$ 9,408,683	$ 7,489,643	$ 14,682,093	$ 9,757,903
28. Cumulative (Over) Under Balance	$ 146,275,352	$ 148,382,975	$ 157,791,658	$ 165,281,301	$ 179,963,394	$ 189,721,297

EXHIBIT NO. ___ (AWR - 1)

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
BASE FUEL COSTS REPORT
MAY, 2008 - APRIL, 2009

		Actual				Forecast	
		May, 2008	Jun, 2008	Jul, 2008	Aug, 2008	Sep, 2008	Oct, 2008
1. Fossil Fuel Costs		$ 58,024,310	$ 85,688,665	$ 69,955,267	$ 75,770,349	$ 56,352,000	$ 45,218,000
2. Nuclear Fuel Costs		$ -	$ 1,139,263	$ 2,285,622	$ 2,284,832	$ 2,129,000	$ 2,223,000
3. Fuel Costs in Purchased Power and Interchange Received		$ 12,747,550	$ 20,389,713	$ 14,425,774	$ 20,089,049	$ 21,271,000	$ 16,136,000
4. Less: Fuel Costs in Intersystem Sales		$ 1,268,271	$ 8,496,446	$ 9,681,832	$ 7,234,525	$ 4,385,000	$ 2,392,000
5. Total Fuel Costs (Lines 1+2+3-4)		$ 69,503,589	$ 98,721,195	$ 76,984,831	$ 90,909,704	$ 75,367,000	$ 61,185,000
6. Total System Sales Excluding Intersystem Sales (KWH)		1,754,667,357	2,152,209,210	2,372,965,414	2,302,887,717	2,292,000,000	1,922,000,000
7. Total Fuel Cost Per KWH Sales		$ 0.039611	$ 0.045870	$ 0.032442	$ 0.039476	$ 0.032883	$ 0.031834
8. Less Base Fuel Cost Per KWH Included in Rates		$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641
9. Fuel Adjustment Per KWH		$ 0.01320	$ 0.01946	$ 0.00603	$ 0.01307	$ 0.00647	$ 0.00542
10. Retail KWH Sales		1,639,359,582	2,007,727,658	2,226,602,740	2,157,147,821	2,163,000,000	1,808,000,000
11. Over / Under Recovery Revenue		$ 21,639,546	$ 39,070,380	$ 13,426,415	$ 28,193,922	$ 13,994,610	$ 9,799,360
12. Fixed Capacity Charges & Adjustments		$ (1,785,357)	$ (1,785,357)	$ (1,664,893)	$ (1,250,973)	$ (1,785,357)	$ (1,785,357)
13. Net Over / Under Recovery Revenue		$ 19,854,189	$ 37,285,023	$ 11,761,522	$ 26,942,949	$ 12,209,253	$ 8,014,003
14. Cumulative (Over) Under Balance	$ 29,947,530	$ 49,801,719	$ 87,086,742	$ 98,848,264	$ 125,791,213	$ 138,000,466	$ 146,014,469

	Forecast					
	Nov, 2008	Dec, 2008	Jan, 2009	Feb, 2009	Mar, 2009	Apr, 2009
15. Fossil Fuel Costs	$ 38,425,000	$ 46,455,000	$ 51,294,000	$ 45,442,000	$ 50,277,000	$ 42,273,000
16. Nuclear Fuel Costs	$ 2,148,000	$ 2,223,000	$ 2,223,000	$ 2,003,000	$ 2,223,000	$ 2,148,000
17. Fuel Costs in Purchased Power and Interchange Received	$ 12,889,000	$ 13,791,000	$ 20,317,000	$ 20,094,000	$ 19,033,000	$ 20,421,000
18. Less: Fuel Costs in Intersystem Sales	$ 5,456,000	$ 7,574,000	$ 6,655,000	$ 5,631,000	$ 4,239,000	$ 6,285,000
19. Total Fuel Costs (Lines 1+2+3-4)	$ 48,006,000	$ 54,895,000	$ 67,179,000	$ 61,908,000	$ 67,294,000	$ 58,557,000
20. Total System Sales Excluding Intersystem Sales (KWH)	1,735,000,000	1,921,000,000	2,091,000,000	1,971,000,000	1,883,000,000	1,751,000,000
21. Total Fuel Cost Per KWH Sales	$ 0.027669	$ 0.028576	$ 0.032128	$ 0.031409	$ 0.035738	$ 0.033442
22. Less Base Fuel Cost Per KWH Included in Rates	$ 0.03291	$ 0.03291	$ 0.03941	$ 0.03941	$ 0.03941	$ 0.03941
23. Fuel Adjustment Per KWH	$ (0.00524)	$ (0.00433)	$ (0.00728)	$ (0.00800)	$ (0.00367)	$ (0.00597)
24. Retail KWH Sales	1,624,000,000	1,794,000,000	1,957,000,000	1,855,000,000	1,765,000,000	1,642,000,000
25. Over / Under Recovery Revenue	$ (8,509,760)	$ (7,768,020)	$ (14,246,960)	$ (14,840,000)	$ (6,477,550)	$ (9,802,740)
26. Fixed Capacity Charges & Adjustments	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)
27. Net Over / Under Recovery Revenue	$ (10,295,117)	$ (9,553,377)	$ (16,032,317)	$ (16,625,357)	$ (8,262,907)	$ (11,588,097)
28. Cumulative (Over) Under Balance	$ 135,719,352	$ 126,165,975	$ 110,133,658	$ 93,508,301	$ 85,245,394	$ 73,657,297

EXHIBIT NO. ___ (AWR - 2)

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
BASE FUEL COSTS REPORT
MAY, 2008 - APRIL, 2009

		Actual				Forecast	
		May, 2008	Jun, 2008	Jul, 2008	Aug, 2008	Sep, 2008	Oct, 2008
1. Fossil Fuel Costs		$ 58,024,310	$ 85,688,665	$ 69,955,267	$ 75,770,349	$ 56,352,000	$ 45,218,000
2. Nuclear Fuel Costs		$ -	$ 1,139,263	$ 2,285,622	$ 2,284,832	$ 2,129,000	$ 2,223,000
3. Fuel Costs in Purchased Power and Interchange Received		$ 12,747,550	$ 20,389,713	$ 14,425,774	$ 20,089,049	$ 21,271,000	$ 16,136,000
4. Less: Fuel Costs in Intersystem Sales		$ 1,268,271	$ 8,496,446	$ 9,681,832	$ 7,234,525	$ 4,385,000	$ 2,392,000
5. Total Fuel Costs (Lines 1+2+3-4)		$ 69,503,589	$ 98,721,195	$ 76,984,831	$ 90,909,704	$ 75,367,000	$ 61,185,000
6. Total System Sales Excluding Intersystem Sales (KWH)		1,754,667,357	2,152,209,210	2,372,965,414	2,302,887,717	2,292,000,000	1,922,000,000
7. Total Fuel Cost Per KWH Sales		$ 0.039611	$ 0.045870	$ 0.032442	$ 0.039476	$ 0.032883	$ 0.031834
8. Less Base Fuel Cost Per KWH Included in Rates		$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641	$ 0.02641
9. Fuel Adjustment Per KWH		$ 0.01320	$ 0.01946	$ 0.00603	$ 0.01307	$ 0.00647	$ 0.00542
10. Retail KWH Sales		1,639,359,582	2,007,727,658	2,226,602,740	2,157,147,821	2,163,000,000	1,808,000,000
11. Over / Under Recovery Revenue		$ 21,639,546	$ 39,070,380	$ 13,426,415	$ 28,193,922	$ 13,994,610	$ 9,799,360
12. Fixed Capacity Charges & Adjustments		$ (1,785,357)	$ (1,785,357)	$ (1,664,893)	$ (1,250,973)	$ (1,785,357)	$ (1,785,357)
13. Net Over / Under Recovery Revenue		$ 19,854,189	$ 37,285,023	$ 11,761,522	$ 26,942,949	$ 12,209,253	$ 8,014,003
14. Cumulative (Over) Under Balance	$ 29,947,530	$ 49,801,719	$ 87,086,742	$ 98,848,264	$ 125,791,213	$ 138,000,466	$ 146,014,469

	Forecast					
	Nov, 2008	Dec, 2008	Jan, 2009	Feb, 2009	Mar, 2009	Apr, 2009
15. Fossil Fuel Costs	$ 38,425,000	$ 46,455,000	$ 51,294,000	$ 45,442,000	$ 50,277,000	$ 42,273,000
16. Nuclear Fuel Costs	$ 2,148,000	$ 2,223,000	$ 2,223,000	$ 2,003,000	$ 2,223,000	$ 2,148,000
17. Fuel Costs in Purchased Power and Interchange Received	$ 12,889,000	$ 13,791,000	$ 20,317,000	$ 20,094,000	$ 19,033,000	$ 20,421,000
18. Less: Fuel Costs in Intersystem Sales	$ 5,456,000	$ 7,574,000	$ 6,655,000	$ 5,631,000	$ 4,239,000	$ 6,285,000
19. Total Fuel Costs (Lines 1+2+3-4)	$ 48,006,000	$ 54,895,000	$ 67,179,000	$ 61,908,000	$ 67,294,000	$ 58,557,000
20. Total System Sales Excluding Intersystem Sales (KWH)	1,735,000,000	1,921,000,000	2,091,000,000	1,971,000,000	1,883,000,000	1,751,000,000
21. Total Fuel Cost Per KWH Sales	$ 0.027669	$ 0.028576	$ 0.032128	$ 0.031409	$ 0.035738	$ 0.033442
22. Less Base Fuel Cost Per KWH Included in Rates	$ 0.04425	$ 0.04425	$ 0.04425	$ 0.04425	$ 0.04425	$ 0.04425
23. Fuel Adjustment Per KWH	$ (0.01658)	$ (0.01567)	$ (0.01212)	$ (0.01284)	$ (0.00851)	$ (0.01081)
24. Retail KWH Sales	1,624,000,000	1,794,000,000	1,957,000,000	1,855,000,000	1,765,000,000	1,642,000,000
25. Over / Under Recovery Revenue	$ (26,925,920)	$ (28,111,980)	$ (23,718,840)	$ (23,818,200)	$ (15,020,150)	$ (17,750,020)
26. Fixed Capacity Charges & Adjustments	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)	$ (1,785,357)
27. Net Over / Under Recovery Revenue	$ (28,711,277)	$ (29,897,337)	$ (25,504,197)	$ (25,603,557)	$ (16,805,507)	$ (19,535,377)
28. Cumulative (Over) Under Balance	$ 117,303,192	$ 87,405,855	$ 61,901,658	$ 36,298,101	$ 19,492,594	$ (42,783)

EXHIBIT NO. ___ (AWR - 3)

SOUTH CAROLINA ELECTRIC AND GAS COMPANY
SUMMARY OF CURRENT AND PROPOSED FUEL FACTORS

Current Fuel Factor(s)

Class	Base Fuel Cost Component (cents/KWH)	Environmental Fuel Cost Component (cents/KWH)	Total Fuel Costs Factor (cents/KWH)
Residential	2.641	0.101	2.742
Small General Service	2.641	0.087	2.728
Medium General Service	2.641	0.075	2.716
Large General Service	2.641	0.044	2.685
Lighting	2.641	-	2.641

Effective for bills rendered on and after the first billing cycle of November 2008:

Class	Base Fuel Cost Component (cents/KWH)	Environmental Fuel Cost Component (cents/KWH)	Total Fuel Costs Factor (cents/KWH)
Residential	3.291	0.101	3.392
Small General Service	3.291	0.087	3.378
Medium General Service	3.291	0.075	3.366
Large General Service	3.291	0.044	3.335
Lighting	3.291	-	3.291

Effective for bills rendered on and after the first billing cycle of January 2009:

Class	Base Fuel Cost Component (cents/KWH)	Environmental Fuel Cost Component (cents/KWH)	Total Fuel Costs Factor (cents/KWH)
Residential	3.941	0.101	4.042
Small General Service	3.941	0.087	4.028
Medium General Service	3.941	0.075	4.016
Large General Service	3.941	0.044	3.985
Lighting	3.941	-	3.941

SOUTH CAROLINA ELECTRIC & GAS COMPANY ELECTRICITY

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

RETAIL RATES
(Page 1 of 2)

APPLICABILITY

This adjustment is applicable to and is part of the Utility's South Carolina retail electric rate schedules.

The fuel and variable environmental costs, to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour, will be determined by the following formulas:

$$F_C = \frac{E_F}{S} + \frac{G_F}{S_1}$$

$$F_{EC} = \frac{E_{EC} + G_{EC}}{S_2}$$

$$\text{Total Fuel Rate} = F_C + F_{EC}$$

Where:

F_C = Fuel cost per kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E_F = Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Fuel costs related to purchased power such as those incurred in unit power and limited term power purchases where the fossil fuel costs associated with energy purchased are identifiable and are identified in the billing statement. Also, the cost of "firm generation capacity purchases," which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels. Costs of "firm generation capacity purchases" includes the total delivered costs of firm generation capacity purchased and excludes generation capacity reservation charges, generation capacity option charges and any other capacity charges.

PLUS

(C) Fuel costs related to purchased power (including transmission charges), such as short term, economy and other such purchases, where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power defined as purchases made to displace higher cost generation at a cost which is less than the purchasing Utility's avoided variable costs for the generation of an equivalent quantity of electric power.

Energy receipts that do not involve money payments such as diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as diversity energy and payback of storage energy are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G_F = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E_F and S.

S_1 = Projected jurisdictional kilowatt-hour sales, for the period covered by the fuel costs included in E_F.

F_{EC} = Customer class variable environmental costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.

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E_{EC} = The projected variable environmental costs including: a) the cost of ammonia, lime, limestone, urea, dibasic acid, and catalysts consumed in reducing or treating emissions, plus b) the cost of emission allowances, as used, including allowances for SO2, NOx, mercury and particulates minus net proceeds of sales of emission allowances, and c) as approved by the Commission, all other variable environmental costs incurred in relation to the consumption of fuel and air emissions caused thereby, including but not limited to environmental reagents, other environmental allowances, and emission related taxes. Any environmental related costs recovered through intersystem sales would be subtracted from the totals produced by subparts a), b), and c).

These environmental costs will be allocated to retail customer classes based upon the customer class firm peak demand allocation from the prior year.

G_{EC} = Cumulative difference between jurisdictional customer class environmental fuel revenues billed and jurisdictional customer class environmental costs at the end of the month preceding the projected period utilized in E_{EC} and S_2.

S_2 = The projected jurisdictional customer class kilowatt-hour sales.

The appropriate revenue-related tax factor is to be included in these calculations.

FUEL RATES BY CLASS

The total fuel costs in cents per kilowatt-hour by customer class as determined by the Public Service Commission of South Carolina in Order No. ____-___ effective for bills rendered on and after the first billing cycle of November, 2008 are as follows:

Customer Class	F_C Rate	+	F_{EC} Rate	=	Total Fuel Rate
Residential	**3.291**		**0.101**		**3.392**
Small General Service	**3.291**		**0.087**		**3.378**
Medium General Service	**3.291**		**0.075**		**3.366**
Large General Service	**3.291**		**0.044**		**3.335**
Lighting	**3.291**		**0.000**		**3.291**

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APPLICABILITY

This adjustment is applicable to and is part of the Utility's South Carolina retail electric rate schedules.

The fuel and variable environmental costs, to be recovered in an amount rounded to the nearest one-thousandth of a cent per kilowatt-hour, will be determined by the following formulas:

$$F_C = \frac{E_F}{S} + \frac{G_F}{S_1}$$

$$F_{EC} = \frac{E_{EC} + G_{EC}}{S_2}$$

$$\text{Total Fuel Rate} = F_C + F_{EC}$$

Where:

F_C = Fuel cost per kilowatt-hour included in base rate, rounded to the nearest one-thousandth of a cent.

E_F = Total projected system fuel costs:

(A) Fuel consumed in the Utility's own plants and the Utility's share of fuel consumed in jointly owned or leased plants. The cost of fossil fuel shall include no items other than those listed in Account 151 of the Commission's Uniform System of Accounts for Public Utilities and Licensees. The cost of nuclear fuel shall be that as shown in Account 518 excluding rental payments on leased nuclear fuel and except that, if Account 518 also contains any expense for fossil fuel which has already been included in the cost of fossil fuel, it shall be deducted from this account.

PLUS

(B) Fuel costs related to purchased power such as those incurred in unit power and limited term power purchases where the fossil fuel costs associated with energy purchased are identifiable and are identified in the billing statement. Also, the cost of "firm generation capacity purchases," which are defined as purchases made to cure a capacity deficiency or to maintain adequate reserve levels. Costs of "firm generation capacity purchases" includes the total delivered costs of firm generation capacity purchased and excludes generation capacity reservation charges, generation capacity option charges and any other capacity charges.

PLUS

(C) Fuel costs related to purchased power (including transmission charges), such as short term, economy and other such purchases, where the energy is purchased on an economic dispatch basis, including the total delivered cost of economy purchases of electric power defined as purchases made to displace higher cost generation at a cost which is less than the purchasing Utility's avoided variable costs for the generation of an equivalent quantity of electric power.

Energy receipts that do not involve money payments such as diversity energy and payback of storage energy are not defined as purchased or interchange power relative to this fuel calculation.

MINUS

(D) The cost of fuel recovered through intersystem sales including the fuel costs related to economy energy sales and other energy sold on an economic dispatch basis.

Energy deliveries that do not involve billing transactions such as diversity energy and payback of storage energy are not defined as sales relative to this fuel calculation.

S = Projected system kilowatt-hour sales excluding any intersystem sales.

G_F = Cumulative difference between jurisdictional fuel revenues billed and fuel expenses at the end of the month preceding the projected period utilized in E_F and S.

S_1 = Projected jurisdictional kilowatt-hour sales, for the period covered by the fuel costs included in E_F.

F_{EC} = Customer class variable environmental costs per kilowatt-hour included in base rates, rounded to the nearest one-thousandth of a cent.

SOUTH CAROLINA ELECTRIC & GAS COMPANY ELECTRICITY

ADJUSTMENT FOR FUEL AND VARIABLE ENVIRONMENTAL COSTS

RETAIL RATES
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E_{EC} = The projected variable environmental costs including: a) the cost of ammonia, lime, limestone, urea, dibasic acid, and catalysts consumed in reducing or treating emissions, plus b) the cost of emission allowances, as used, including allowances for SO2, NOx, mercury and particulates minus net proceeds of sales of emission allowances, and c) as approved by the Commission, all other variable environmental costs incurred in relation to the consumption of fuel and air emissions caused thereby, including but not limited to environmental reagents, other environmental allowances, and emission related taxes. Any environmental related costs recovered through intersystem sales would be subtracted from the totals produced by subparts a), b), and c).

These environmental costs will be allocated to retail customer classes based upon the customer class firm peak demand allocation from the prior year.

G_{EC} = Cumulative difference between jurisdictional customer class environmental fuel revenues billed and jurisdictional customer class environmental costs at the end of the month preceding the projected period utilized in E_{EC} and S_2.

S_2 = The projected jurisdictional customer class kilowatt-hour sales.

The appropriate revenue-related tax factor is to be included in these calculations.

FUEL RATES BY CLASS

The total fuel costs in cents per kilowatt-hour by customer class as determined by the Public Service Commission of South Carolina in Order No. ____-___ effective for bills rendered on and after the first billing cycle of January, 2009 are as follows:

Customer Class	F_C Rate	+	F_{EC} Rate	=	Total Fuel Rate
Residential	**3.941**		**0.101**		**4.042**
Small General Service	**3.941**		**0.087**		**4.028**
Medium General Service	**3.941**		**0.075**		**4.016**
Large General Service	**3.941**		**0.044**		**3.985**
Lighting	**3.941**		**0.000**		**3.941**